



**“Adani Green Energy Limited
FY24 Earnings Conference Call with
Fixed Income Investors”
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MODERATOR: MR. KARAN MAROO – STANDARD CHARTERED BANK

Moderator: Hello everyone and welcome to the AGEL FY 2024 earnings call. My name is Nadia and I'll be coordinating the call today. If you would like to ask a question at the end of the presentation, please press star, followed by one on your telephone keypad. If you have joined online, please use the Q&A chat box provided. I'll now hand over to your host, Karan Maroo from Standard Chartered Bank to begin. Karan, please go ahead.

Karan Maroo: Thank you, Nadia. Good afternoon and good morning everyone. Depending on which part of the world you are in today. This is Karan Maroo here from Standard Chartered Bank, and I would like to warmly welcome you to this fixed income interaction session today for Adani Green post the release of financial statements earlier today. With us today, we are very, very pleased to have from the company, Mr. Sagar Adani, Executed Director, Mr. Amit Singh, CEO, Mr. Phuntsok Wangyal, CFO, Mr. Raj Kumar Jain, Head Business Development, and Mr. Viral Raval, Head Investor Relations. With that very quick round of introduction, I'd like to hand it over to the management team for opening remarks, followed by a Q&A session.

Sagar Adani: Thank you for the introduction. Hello everyone on the call. Thank you for joining in. Appreciate it. This is Sagar Adani, and I would just give a brief overview of Adani Green and where we are with regards to FY 24 and then open up for Q&A. So, Adani Green Energy is India's first and the fastest growing renewable energy company, and we've achieved 10.9 GW of operating capacity. This is a testament to our focus on project execution, operational

excellence, building resilient supply chains, innovation, and leveraging technology to enable affordable and renewable power. In FY 24, we strengthened our market leadership with 2,848 MW of Greenfield capacity addition, which marks a 35% year-on-year increase. The capacity addition by Adani Green alone accounts for over 15% of India's total renewable energy capacity addition all across the country. We are developing the world's largest single-location renewable energy plant of 30,000 MW in Khavda. This project will set a blueprint for ultra large-scale renewable energy development globally. The project is spread across 538 square kilometers, almost five times the city of Paris, and it'll be completed by 2029. In fact, in the same location, we've already operationalized 2,000 MW of capacity in FY 24, just within 12 months of breaking ground.

I'm glad to share that, in FY 24, we've delivered a very robust financial performance across all metrics.

- On a year-on-year basis, our revenue from power supply increased by 33% to Rs. 7,735 crores.
- Our EBITDA increased by 30% to Rs. 7,222 crores.
- Our run-rate EBITDA stands at a strong Rs. 10,462 crores.
- The net debt to run-rate EBITDA is at 4x compared to 5.4x last year.
- Our cash profit has increased by 25% to Rs. 3,986 crores.
- Consistently high operational performance has enabled us to deliver an industry-leading EBITDA margin of 92%.

Our investors have also reposed tremendous faith in our strategic vision. AGEL has further strengthened ties with strategic partners and investors, including TotalEnergies, GQG Partners and Qatar Investment Authority. We have also refinanced Restricted Group 1 bond with a fresh 18 year bond issuance of 409 million, which was over-subscribed 6.5 times.

Our continued focus on improving performance across ESG parameters has significantly advanced our rankings and ratings by globally recognized independent bodies. In its latest assessment, ISS ESG ranked AGEL, the number one company in Asia, and amongst the top five in the RE sector globally. CDP rated AGEL in the top most category of 'A' for supplier engagement and 'A-' in their climate change assessment.

India's green powered revolution is underway at an accelerated pace. This necessitates developing large utility scale storage projects in a speedy and cost effective manner to support the base load requirements of the country. Pumped hydro storage, a mature and proven technology, emerges as a very strong contender.

We are targeting addition of at least 5 GW of pumped hydro storage capacity by 2030 and have already kicked off construction work for the first 500 MW project in Andhra Pradesh. With this, we have revised our renewable energy capacity target of 2030 upwards from 45 GW to 50 GW.

We continue to remain fully funded to achieve our 50 GW target, both from a debt and equity perspective. We are on track to achieve the 2030 target with locked-in land parcels and transmission connectivity fully de-risked in Gujarat and Rajasthan. We also have a development pipeline for pumped storage projects across four different states in India. We are committed to lead India's energy transition and we aim to more than double our greenfield capacity addition to 6,000 MW in the current fiscal year.

Thank you everyone, and we'll open up for questions.

Moderator: Thank you. If you would like to ask a question, please press star, followed by one on your telephone keypad. If you have joined online, please use the Q&A chat box provided. If you would like to remove your question, please press star followed by two. When prepared to ask your question, please ensure your phone is unmuted locally.

We have our first question via the chat from Eric Liu from Nomura.

There was a net income attributable to minority non-controlling interest of INR 1.6 billion in the fourth quarter FY 2024, 52% of PAT while the past quarters did not have such a high proportion in terms of PAT. Would you mind to elaborate on this item? Thank you.

Phuntsok Wangyal: Yeah. Hi. So as the members recollect that in last Q3, we have this strategic relationship with TOTAL whereby TOTAL expanded their relationship for additional 1,050 MW. As we informed to the stakeholders that as a part of strategic engagement, what we did was NCD, which was stapled instrument in nature, was completely converted into CCD. So from that perspective, now TOTAL has completely equity risk as far as AGE23L portfolio is concerned. So this INR 1.6 billion in Q4 is basically towards the TOTAL controlling stake for the AGE23L portfolio and ARE9L portfolio.

Moderator: Thank you. The next question goes to Abhiram Iyer of Deutsche Bank.

What is the total debt for the company in terms of all debts including short term debt, unsecured borrowings from related parties, convertibles? How much additional debt is needed to reach the run-rate EBITDA of INR 10,462 Cr. Also does the total cash balance currently include the entire US dollar 750 million earmarked for the Holdco. bond maturing in September, 2024? Thank you.

Sagar Adani: The run-rate EBITDA number of Rs. 10,462 crores reflects the projects for which the debt has already been drawn and they're already operational. So there is no additional debt required to reach run-rate EBITDA of Rs. 10,462 crores. That's number one. The number for the total debt, including all short-term, long-term debt is Rs. 58,557 crores. The net debt number is Rs. 41,860 crores. And the cash balance that is on the accounts does include the entire 750 million earmarked for the Holdco. Bond maturing in September 2024. That's backed by a hundred percent cash.

Moderator: Thank you. And as a reminder, if you would like to ask a question, please press star, followed by one on telephone keypad. If you have joined online, please use the Q&A chat box provided.

And the next question goes to Sharon Chen of Bloomberg. When is the sponsor expected to subscribe to the remaining warrants? Thank you.

Sagar Adani: So as per the conditions of SEBI, there are 18 months to subscribe to all the warrants into the company. The expectation is that as and when the project ramp up happens and the equity consideration will be required by AGEL for growth the capital from the warrant subscription is expected to come into the company. Outermost boundary would be 18 months, but we expect it to come significantly earlier than that.

Moderator: Thank you. And we have an audio question from Imtiaz Shefuddin of Barclays. Imtiaz, please go ahead. Your line is open.

Imtiaz Shefuddin: Thank you. Good evening. I just have a couple of questions on your debt. You made a disclosure today of securing a \$400 million construction facility for 750 MW of solar projects. Could you indicate what's the total amount of construction facilities you have right now and how much have you drawn down of those facilities and how much remains undrawn and how much more you might need to secure to meet your additional capacity additions? That's my first question.

Phuntsok Wangyal: Yeah, sure. Imtiaz. As you recollect, we had scaled up our construction facility from USD 1.34 billion to USD 3 billion. Now with yesterday's media press release of USD 400 million, what it effectively means is we have today USD 3.4 billion of construction facility. It is pretty clear that USD 400 million is completely undrawn & out of balance USD 3 billion nearly \$800 million is also undrawn. So from USD 3.4 billion, 1.2 billion USD is a undrawn commitment right now, which will be used for the capacity to be implemented in this financial year.

Imtiaz Shefuddin: Sorry. So how much did you say was undrawn?

Phuntsok Wangyal: Yeah, so USD 400 million, which we announced yesterday, is completely undrawn out of balance out of USD 3 billion, ~USD \$800 million is also undrawn. Actually both \$800 million and USD 400 million will be used for the projects to be implemented in this financial year.

Imtiaz Shefuddin: Okay, understood. My second one would be how much of these facilities will need to be refinanced or repaid in FY 25 and 26?

Phuntsok Wangyal: So in FY 25 what we need to refinance is basically a part of the construction facility, which we have used for our hybrid operational project. As you know, we implemented the largest hybrid project globally. So that facility needs to be refinanced in this financial year. That amount is approximately 1.1 billion USD, which we will be refinancing in accordance with our capital management philosophy within this financial year. From a contractual maturity perspective obligation, we have time till the end of this financial year to refinance this entire USD 1.1 billion.

Imtiaz Shefuddin: Okay, understood. Great, thank you. Sorry if I can just throw in a last question, and you have explained this before, but I just would like you to reiterate your clarification on this. You know, show cause notification from SEBI, if you could just clarify again, please.

Phuntsok Wangyal: Imtiaz we have issued a stock exchange clarification stating that as far as show cause notices are concerned, show cause notice pertains to non-availability of peer review certificate for one of our joint auditors. And this was for a period of year 2019 to 2020. We have also clarified that AGEL as a practice of corporate governance has always been following a joint audit concept. Accordingly, even during that period when one of our auditor was not having peer review, we had valid peer review certificate from the other joint auditor. Hope it clarifies, Imtiaz.

Imtiaz Shefuddin: Yes, it does. Thank you very much. That's all for me.

Moderator: Thank you. And as a final reminder, if you would like to ask a question, please press *, followed by 1 on a telephone keypad. If you have joined online, please use the Q&A chat box provided, or pause for just a moment. Thank you. It appears we have no further questions. I'll now hand back to the management team for any closing comments.

Apologies, we've just had a question come through on the chat from Sharon Chen of Bloomberg. What is the expected timing for SEBI's final findings for the remaining two investigations? Thank you.

Phuntsok Wangyal: Yes. On the specific question, it is very difficult for us to comment when SEBI will be able to conclude the finding on remaining two investigations. In case, and as and when SEBI seeks cooperation from us, we will definitely provide all the necessary cooperation, and in case, as in when there is any further update formally, which we hear from SEBI, we will definitely communicate to our wider stakeholders.

Moderator: Brilliant. Thank you. That's all the questions that we have. I'll hand back to the management team. Okay.

Sagar Adani: Thank you everyone for taking the time to join the call. We appreciate your joining. We are very excited about the journey that AGEL is on. There's a very strong, clear path ahead and we will continue as management jointly to make sure that we keep executing on the plans that we have ahead, clearly in front of us.

Moderator: Thank you. This now concludes today's call. Thank you all for joining. You may now disconnect your lines.

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